



Standard Financial Information Structure (SFIS) Proposed DLMS Change

Financial Data in Supply (FDIS)
Working Group Meeting - 29 Sep 09

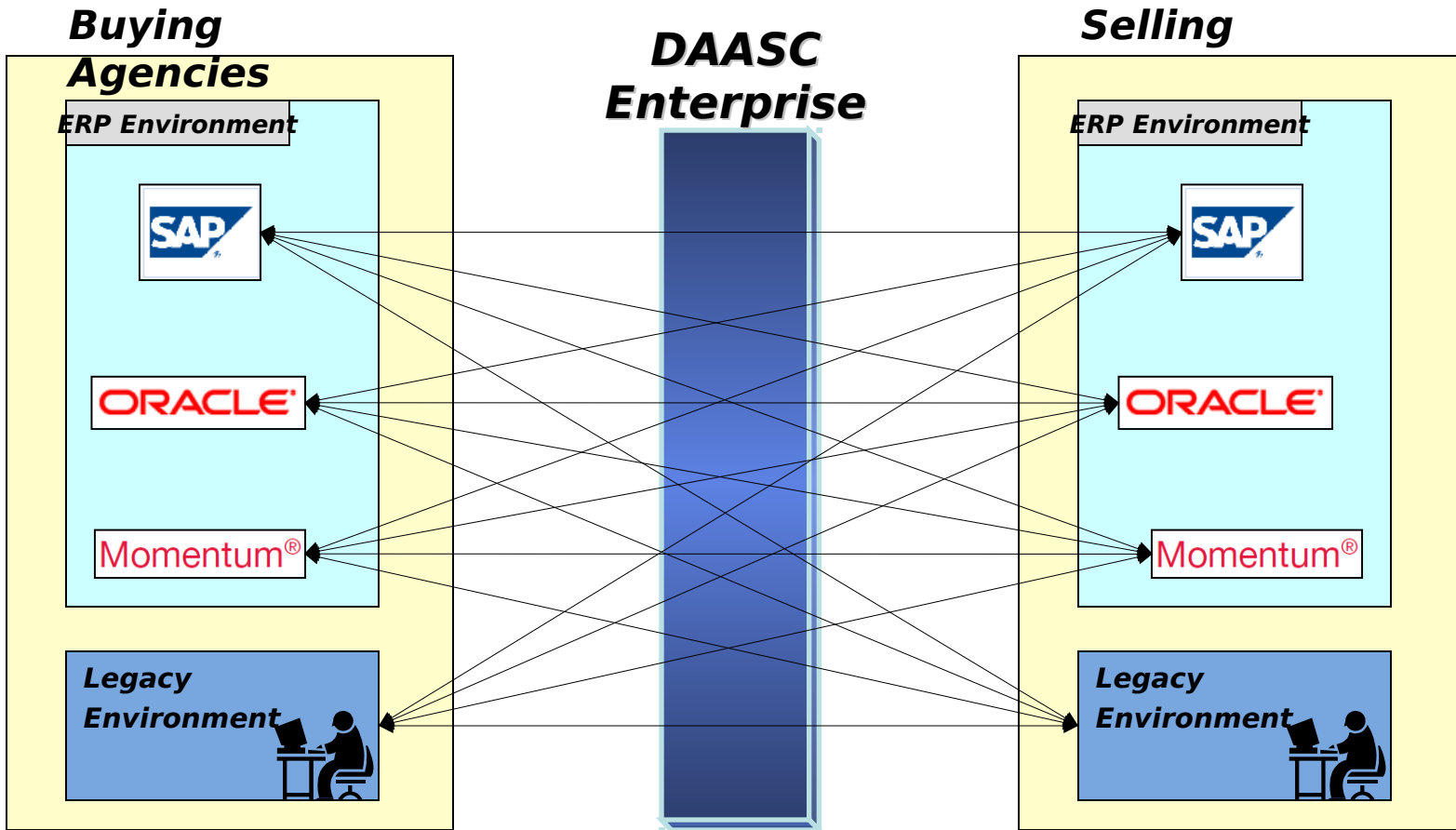
- Review revised Problem Statement
- Review open issues
- Discuss Proposed exchange processes
 - Process #1- Pros/Cons
 - Process #2- Pros/Cons
- Next Steps



Problem/Requirement/Objective

- **PROBLEM:** Undefined process and capability to exchange financial information using SFIS “common business language” to enable intra-Service order fulfillment, inter-fund reimbursements, and accurate accounting
 - Supply Chain Management domain managed information exchange standards (DLMS/MILS) currently prescribe the use of the Fund Code to identify Appropriate account information located in an external data file
 - Fund Code process was based on the limitations of 80 character limitations of MILSTRIP and MILSBILLS
 - Leads to a lack of standard accounting data for end-to-end (E2E) Order to Cash (O2C), Procure to Pay (P2P), and Plan to Stock (P2S)
- **REQUIREMENT:** Need to define the process and the appropriate SFIS data elements to enable efficient exchange of financial information to support a common understanding across Supply Chain Management and Financial Management functional areas for Target Systems
 - Provide an automated means to reimburse between activities across Component boundaries
 - Need to leverage Extensible standards’ unprecedented data exchange capability to enable business communities information sharing that is not possible using MILS

Interim Environment: Today - FY20?



The Legacy data elements of SC & FC (which are used in conjunction with the requisitioning DoDAAC) will continue to be carried in the DLMS transactions to support mapping to non-DLMS or non-SFIS compliant systems until they are no longer needed and until modernized ERPs and AISs have been upgraded to



Continue support of Legacy Financial Data Exchange (MILS)

EXAMPLE MILSTRIP 80 Card Transaction:

A01 SMS 3 5960-00-806-0292 EA 00002 W81WRD-6182-0005 R YN0E01 C 21 9N 9GY 06
300 2B

Doc Id/Routing/M&S/Stock
No/UI/Qty/DocNo/Demand/SupAdd/Signal/Fund/Dist/Proj/Priority/RDD/Advice

1. DoDAAD Address Code of Requisitioner:

W81WRD

Derive Ship-to Address From DODAAC Registry:

CS BN DISTRIBUTION CO
AWCF SSF (Army Working Capital - Single Stock Fund)
BLDG 8410 KITTY RD
FORT RILEY KS 66442-5936

2. Signal Code:

C

3. Fund Code:

21

Instructs Supply Source to

-Ship to requisitioner W81WRD
-Bill to addressee designated by the fund code in rp
52 and 53.

Fund Code to Fund Account Conversion Table (as of 1 Sep 2007)
See DoD 4000.25-7-M, Appendix 1.1

APPENDIX A1

BILLED SERVICE CODE = A OR W (ARMY)

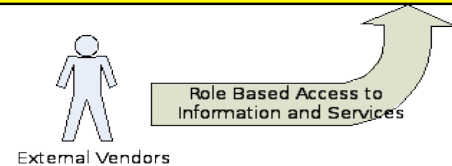
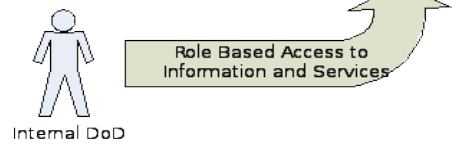
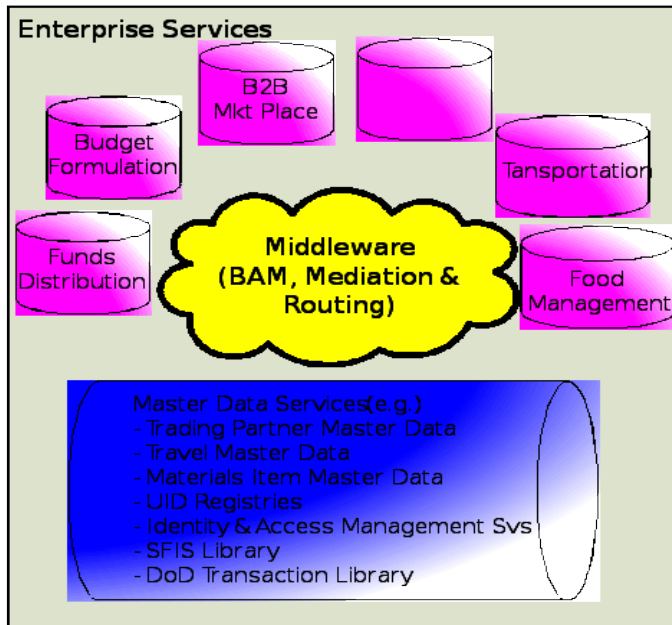
2. SIGNAL CODE IS C OR L:

| Fund Code | Fund Account | Eff Date/Action |
|-----------|-----------------------|-----------------|
| 21 | 21#2020 | 1989121 ADD |
| 23 | 21#2040 | 1992184 ADD |
| 29 | 97X4930AC60 | 1992184 ADD |
| 2B | 21#2031 | 1989121 ADD |
| 2C | 97X4930AC90 | 1991274 CHG |
| 2P | BILL VIA NONINTERFUND | 1989121 ADD |
| 2U | 21#2035 | 1989121 ADD |
| 2Y | 97X8242 | 1989121 ADD |

***DLMS incorporated Fund Code to support Legacy Systems and due to lack of defined process for exchange of SFIS**

Target Net Centric Environment

End-to-End business processes in ERPs include the following functions GL, Budget Distribution, Contract Creation, Contract Management, Entitlement, Disbursing, Sales, AR, AP, Assets, Inventory Cash Management, Human Resources, Payroll, Travel, Wholesale Supply, Retail Supply, Maintenance, Real Property Management





Open Issues

- **Validate SFIS data elements needed to be exchanged between trading partners**
- **Validate that the Limit/Subhead is not required in the target environment**
- **Validate business rules for BPN**
- **Determine method of providing data:**
 - **ERP link to Fund Code Table for Line of Accounting Data**
 - **ERP link to authoritative source for AAI**
 - **Data to be carried in DLMS**
- **Validate DLMS transactions to carry SFIS data**
- **Validate if Financial Management Regulation code list can be used for the DLMS FA2 segments**



Proposed SFIS Data Elements

SFIS Appropriation Account Information:

*Treasury Appropriation
Fund Symbol (TAFS)*

1. *Department Regular Code*
2. *Department Transfer Code*
3. *Period of Availability FY Date*
4. *Main Account Code* * Legacy
5. *Sub-Account Code*
6. *Treasury Control Code* *

SFIS Organizational Information

7. *Agency Accounting Identifier*

SFIS Trading Partner Information

8. *Business Partner Number*

Are there additional elements needed to support other trading partners business processes?

Proposed Target Business Process #1

Pass delineated SFIS data elements
in the required transactions



Impact Assessment on DLMS

FC carried on below Transactions Today

Proposed DLMS Transactions Requiring SFIS Data

- 180M Material Returns Reporting
- 511M Requisition Modification
- 511R Requisition (includes referral order and passing order)
- 517M Material Obligation Validation (MOV)*
- 869F Requisition Follow-Up
- 856S Shipment Status*
- 940R Material Release*
- 842A/W Supply Discrepancy Report***

*856S for Lateral Redistribution (AS6) .

**940R for hazardous waste disposal.

*** 842A/W When original billing is unavailable due to constructed document number

***** 517M when used to reinstate a requisition

DLMS Transactions ; No SFIS Data Req'd

- 517G Government Furnished Material (GFM) Validation
- 527D Due-in/Advance Receipt/Due Verification
- 527R Receipt, Inquiry, Response and MR
- 810L Logistics Bill
- 812L Logistics Bill Adjustment Request Reply
- 812R Logistics Bill Adjustment Request
- 842A/R Standard Supply Discrepancy Report Reply
- 856R Shipment Status Material Returns
- 857 Shipment and Billing Notice
- 867D Demand Reporting
- 867I Issue
- 869A Requisition Inquiry/Supply Assistance Request
- 869C Requisition Cancellation
- 870S Supply Status
- 870M Material Returns Supply Status
- 945A Material Release Advice
- 947I Inventory Adjustment

- DLMSO has tentatively identified the proposed transactions as requiring modification to support SFIS
- Component financial and logistics experts must validate this list and provide corrections

Process #1 Step 1 - Buyer submits Requisition

Buyer sends Requisition(EDI/XML) to Seller, routed via DAASC



Appropriation Account Information
Buyer's Treasury Account Symbol(TAS)
* DepartmentRegular_Code
* DepartmentTransfer_Code
* Period_of_Availability_FY_Date
* Main_Account_Code
* Sub-Account_Code
* Treasury_Sub_Class

Organizational Information
* Buyer's_Agency_Accounting_Identifier

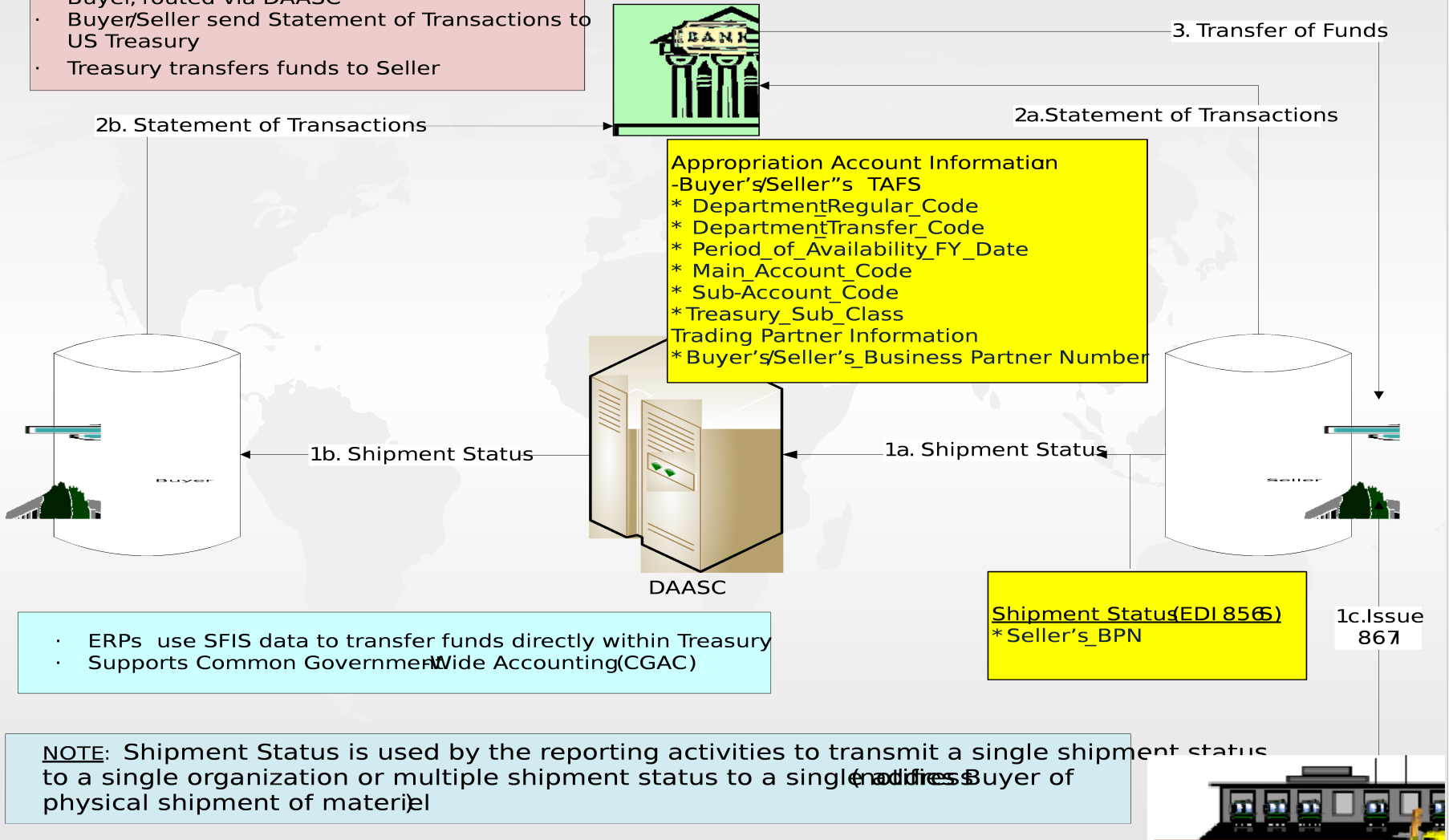
Trading Partner Information
* Buyer's_Business Partner Number

NOTE: DoD Sellers include MIL Services, DLA, eMail, GSA, FAA, others

NOTE: Similar process for Requisition Modification(51IM), Requisition Follow up(86F)

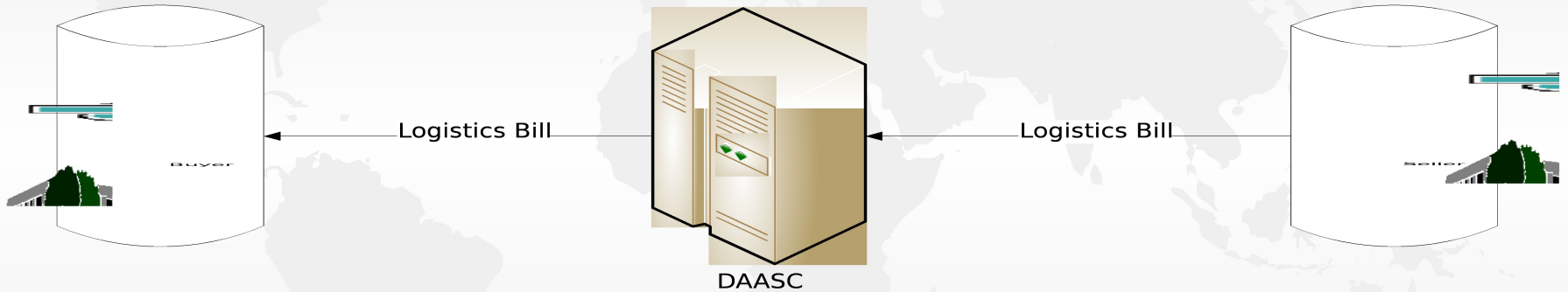
Process #1 Step 2 - Seller sends Shipment Status

- Seller sends Shipment Status(EDI/XML) to Buyer, routed via DAASC
- Buyer/Seller send Statement of Transactions to US Treasury
- Treasury transfers funds to Seller



Process #1 Step 3 -Logistics Bill

- Seller Sends Logistics Bill to Buyer with summary information on charges/credits based on document numbers provided



Pros and Cons

Pass delineated SFIS data elements in the required transactions

PROS

- **Allows for Financial Data Visibility at Transaction level**
- **Enables ERPs to transfer funds directly through Treasury**
- **Utilizes full capability of ERP**
 - **System generated accounting data automatically**
- **Enables accurate accounting at transaction level for streamlined reconciliations and eliminations**

CONS

- **Requires the passing of SFIS data in select transactions**

Possible Mapping SFIS to DLMS FA2 Segment - Example

| DLMS Qualifier | FA2 Segment Name | SFIS Data Code | SFIS Name |
|-----------------------|---------------------------------------|-----------------------|--|
| A1 | DEPARTMENT INDICATOR | A1 | Department Regular Code |
| A2 | TRANSFER FROM DEPARTMENT | A2 | Department Transfer Code |
| A3 | FISCAL YEAR INDICATOR | A8 | Period of Availability Fiscal Year Date |
| A4 | BASIC SYMBOL NUMBER | A3 | Main Account Code |
| A6 | SUB-ACCOUNT SYMBOL | A4 | Sub-Account Code |
| A5 | SUB-CLASS | Legacy | Treasury Sub Class |
| L1 | ACCOUNTING INSTALLATION NUMBER | 03 | Agency Accounting Identifier |

- *X12 identifies these qualifiers as data elements and supporting code list prescribed by DoD 7000-14.R (the Financial Management Regulation), so new qualifiers may be needed.

- Note that different qualifiers are needed for transactions that do not have an FA2 segment.



Possible Mapping SFIS BPN to DLMS Name Segment - Example

SFIS Data Code TP3 - Business Partner Number

Party to Receive Bill:

- N101:

Qualifier: BT Bill-to Party

DLMS Note: Use to identify BPN of the party to receive bill. Requires a second iteration of the N101 loop.

- N103 :

Qualifier: 50 Business License Number

DLMS Note: Required for SFIS to map to SFIS Data element "Business Partner Number TP3". Enter the buyer's BPN in N104.

Party to Receive Credit:

- N101:

Qualifier: ZB Party to Receive Credit

DLMS Note: Use to identify the BPN of the Party to Receive Credit . Requires a second iteration of the N101 loop.

- N103:

Qualifier: 50 Business License Number

DLMS Note: Required for SFIS to map to SFIS Data element "Business Partner Number TP3". Enter the seller's BPN in N104.

Proposed Target Business Process #2

SFIS required content applicable to the billed/credit account will be maintained on an SFIS Compliant Reference Table (Centralized Registry)

Target ERP Environment Option 2 - DLMSO

Proposed: Reference Table to Carry SFIS LOA

Current FC Table:

DoD 4000.25-7-M, May 2007

AP1.1 APPENDIX 1.1

FUND CODE TO FUND ACCOUNT CONVERSION TABLE (AS OF 9 MAY 2009)

| Fund Code | Fund Account | Eff Date/Action |
|--|--------------|-----------------|
| FUND CODE TO FUND ACCOUNT CONVERSION TABLE AS OF MAY 2009 DOD 4000.25-7-M | | |
| APPENDIX AP1.1.A BILLED SERVICE CODE = A, C, W (ARMY) 1. SIGNAL CODE IS A, B, J, OR R: | | |
| 01 | 2102020 | 1986314 ADD |
| 02 | 2102065 | 1986314 ADD |
| 03 | 2102040 | 1986314 ADD |
| 05 | 2102010 | 1986314 ADD |
| 06 | 2102060 | 1986314 ADD |
| 07 | 2102070 | 1986314 ADD |
| 0A | 2102090 | 1986314 ADD |
| 0B | 2102031 | 1986314 ADD |
| 0C | 2102050 | 1986314 ADD |
| 0F | 2102055 | 1986314 ADD |
| 0I | 2102034 | 1986314 ADD |
| 0J | 97003002601 | 2001355 ADD |
| 0K | 97004002601 | 2001355 ADD |
| 0L | 2102032 | 1986314 ADD |
| 0M | 2102033 | 1986314 ADD |
| 0N | 2102036 | 1986314 ADD |
| 0O | 2102035 | 1986314 ADD |
| 0W | 9700100565A | 2008279 CH2 |
| 0X | 9700300565A | 2008279 CH2 |
| 0Y | 9700400565A | 2008279 CH2 |
| 0Z | 97003002501 | 1989120 CH2 |
| 11 | 2112020 | 1986314 ADD |
| 12 | 2112065 | 1986314 ADD |
| 13 | 2112040 | 1986314 ADD |
| 14 | 2112010 | 1986314 ADD |
| 16 | 2112060 | 1986314 ADD |

DoD 4000.25-7-M MILSBILLS Appendix 1,1, 1.2, 1.3

DoD 4000.25-7-M, May 2007

AP1.2. APPENDIX 1.2

FUND CODE TO BILLED OFFICE DODAAC CONVERSION TABLE (AS OF 9 MAY 2009)

| Fund Code | Billing Address | DoDAAC | Eff Date/Action |
|--|--|-------------------------------|-----------------|
| REQUISITIONING SERVICE CODE = A, C, W (ARMY) | | | |
| FUND CODE | BILLING ADDRESS | DoDAAC | Eff Date/Action |
| 21 | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | 23204 W58RGO | 1989121 ADD |
| 23 | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1989121 ADD |
| 29 | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1989121 ADD |
| 2B | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1989121 ADD |
| 2C | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1990274 ADD |
| 2P | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1989121 ADD |
| 2R | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1989121 ADD |
| 2U | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1989121 ADD |
| 2Y | DFAS- COLUMBUS DFAS-JOCBB/CO PO BOX 152559 | OR 49218-2559 23204 W58RGO | 1989121 ADD |
| 4F | COMBUD WPHSH OPS HARBORSH DAG IN ATTN DFAS IN IN 8899 EAST 56TH STREET INDIANAPOLIS IN 46249-3200 | 12102 W59C4V | 1986319 ADD |

CONCEPT

- **Link SFIS LOA to Fund Code Trading Partners update SFIS Table as needed and DAASC maintains official SFIS table.**

- **ERPs link to DAASC for near real time updates**

- **Discrete data fields for SFIS LOA elements:**

- Department Regular Code, A1
- Department Transfer Code, A2
- Main Account Code, A3
- Sub-Account Code, A4
- Treasury Sub Class, Legacy

- **Discrete Data Field for Limit/Subhead?**

- **Period of Availability?**

- # Indicates FY of Requisition date
- * Indicates FY of billing date
- Discrete data element for date range

AGENCY ACCOUNTING IDENTIFIER

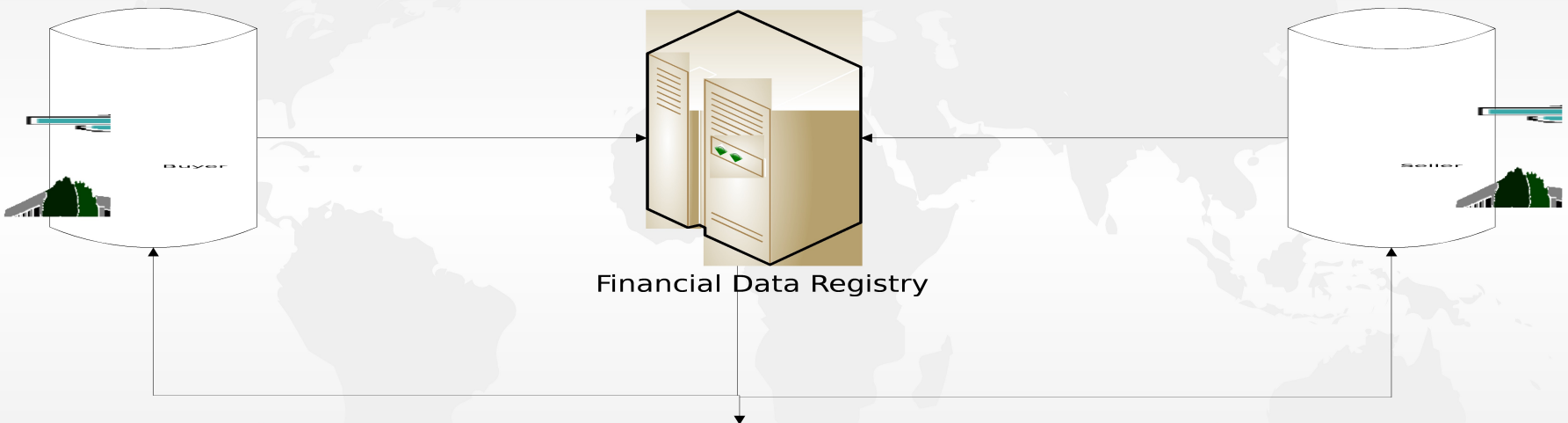
- Link to authoritative source or carry in DLMS

BUSINESS PARTNER NUMBER.

- Carry in DLMS as required

Process #2 Step 1 - Buyer and Seller load SFIS data to Centralized Registry

- Buyer/Sellers load SFIS Data Financial Data Registry via undefined interface
- Identify a short key like the Fund Code
- Develop synchronization strategy



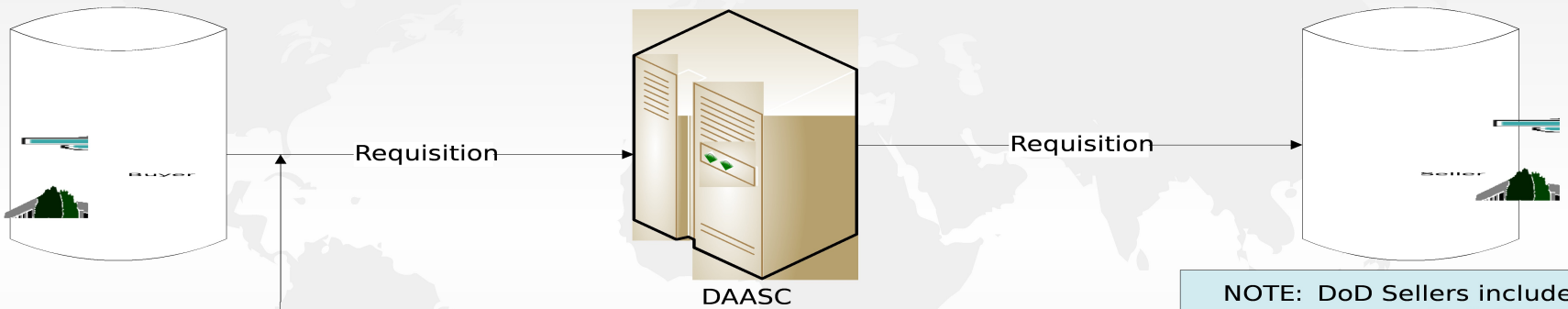
Financial Data Registry

- Centrally managed SFIS Compliant Reference Table
- Contains required SFIS elements to support all business events
- Trading partners identify accounts using short key

SFIS data to be defined during Budget to Report

Process #2 Step 2 - Requisition Submitted

Buyer sends Requisition(EDI/XML) to Seller, routed via DAASC



* Undefined ReferenceData_Shortkey

Organizational Information

* Buyer's_Agency_Accounting_Identifier

Trading Partner Information

* Buyer's_Business Partner Number

Other elements TBD

NOTE: Similar process for Requisition Modification(511M), Requisition Follow up(869F)

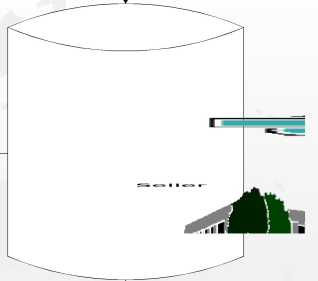
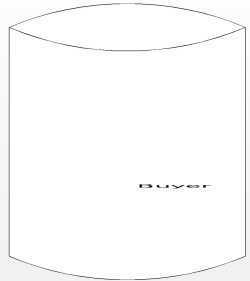
NOTE: DoD Sellers include MIL Services, DLA, eMail, GSA, FAA, others



Process #2 Step 3 - Seller retrieves Buyer Financial Data Retrieved

- Seller retrieves billing information from registry via interface
- Buyer/Seller send Statement of Transactions to US Treasury
- Treasury transfers funds to Seller

Appropriation Account Information
Buyer's Treasury Account Symbol (TAS)
* DepartmentRegular_Code
* DepartmentTransfer_Code
* Period_of_Availability_FY_Date
* Main_Account_Code
* Sub-Account_Code
* Treasury_Sub_Class



Registry sends requested information

Retrieve SFIS Billing Information

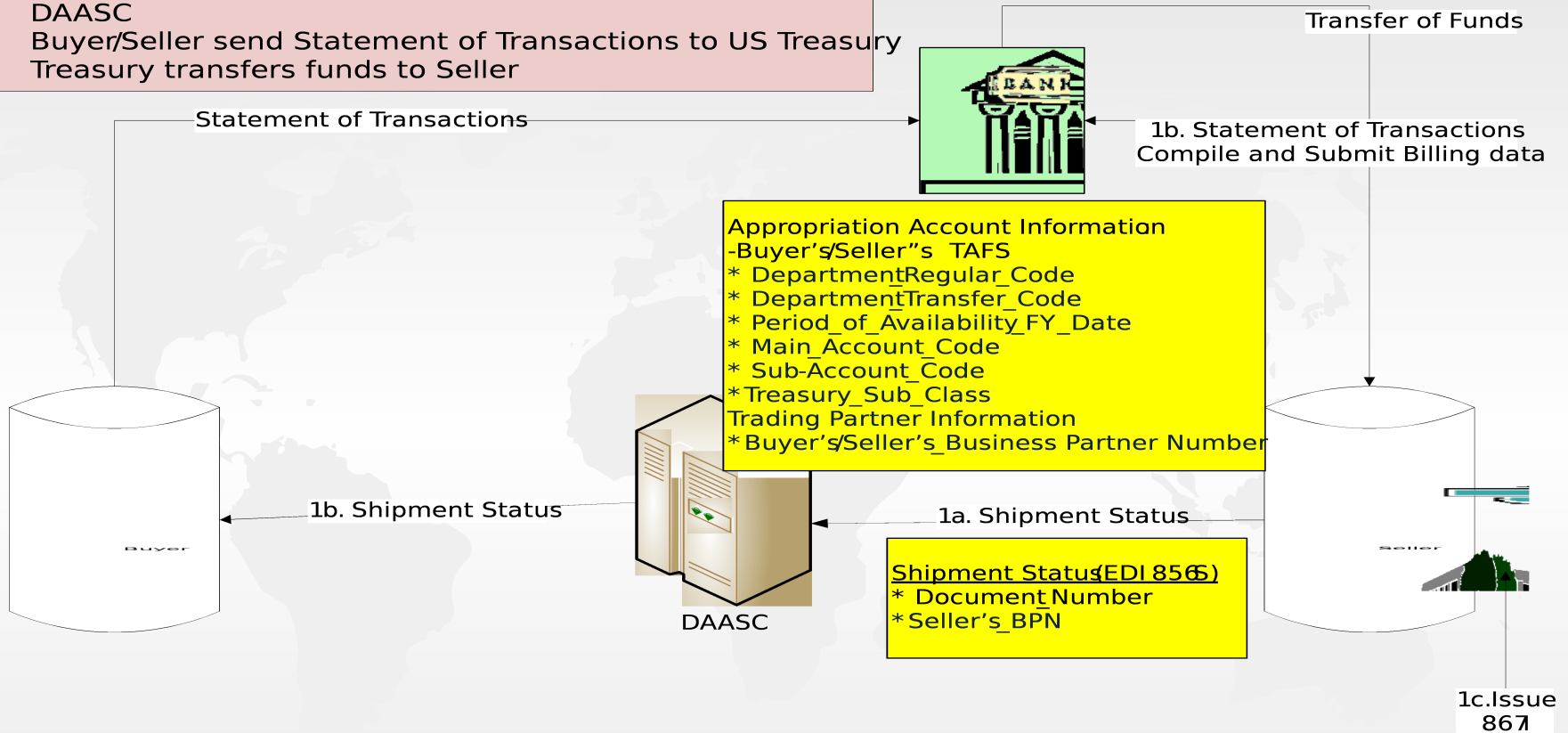
* Undefined ReferenceData_Shortkey
Retrieval process undefined

1c.Issue
867



Process #2 Step 4 - Seller combines data and sends to Treasury

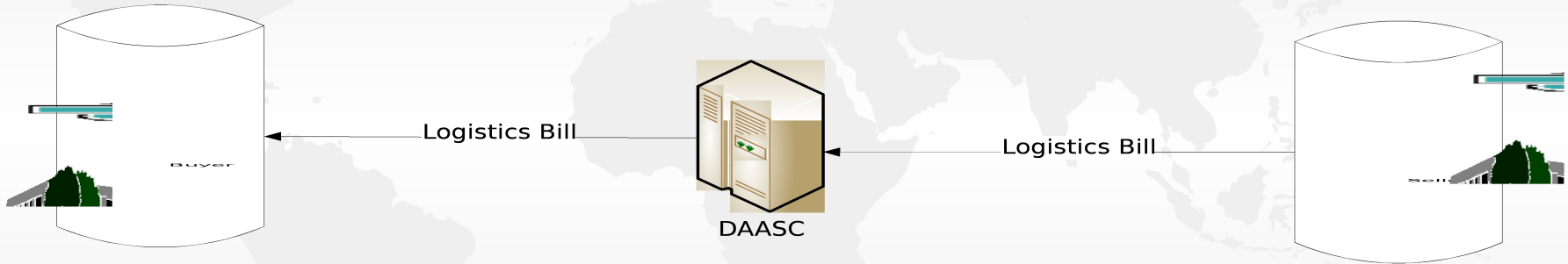
- Seller sends Shipment Status(EDI/XML) to Buyer, routed via DAASC
- Buyer/Seller send Statement of Transactions to US Treasury
- Treasury transfers funds to Seller



NOTE: Shipment Status is used by the reporting activities to transmit a single shipment status to a single organization or multiple shipment status to a single address (notifies Buyer of physical shipment of material)

Process #2 Step 5 -Logistics Bill

- Seller Sends Logistics Bill to Buyer with summary information on charges/credits based on document numbers provided



Pros and Cons

SFIS Compliant Reference Table

(Available through Centralized Registry)

PROS

- **Reduces legacy system programming impact**
- **Data available to non-DLMS compliant systems**
- **Reduces the passing of data**

CONS

- **ERP functionality not completely utilized, additional interfaces will have to be configured**
- **Real time and transaction level accounting not realized**
- **Cost to maintain Registry**
- **Lack of internal controls and reconciliation process**
- **Cost of building interface between the ERP and the Registry**
- **More Transaction calls to Registry**



Perpetuation of SFIS Data Proposed Change - Concept

Concept. This change will update the DLMS transactions below to carry SFIS data elements generated by SFIS-compliant target systems. Specific DLMS Supplement updates are identified in Enclosure 4. The proposed concept is to carry SFIS data in the transaction that triggers a financial action (debit/credit bill), identifying the initiating activity's BPN. The initiating activity may be either the party to be billed for a purchase or the party to receive credit for return of previously purchased items, depending upon the business process.

Implementation Strategy:

This PDC proposed two alternative solutions for inclusion of selected SFIS elements. One solution is the use of a referential data. That is, SFIS required content applicable to the billed/credit account will be maintained on the DAASC Fund Code table. Another solution is to pass delineate data elements in the DLMS transactions.

Any SFIS data content passed in DLMS transactions will be adopted as "authorized DLMS enhancements." This means that an SFIS-compliant application may incorporate the new data content at any time subsequent to the Approved Change implementation date without prior coordination. All DLMS trading partners must ensure that the inclusion of the new data elements will not cause currently processed transactions to fail pending the receiving application's



Perpetuation of SFIS data Proposed Change - Process

Scope of Transaction Impact. DLMSO has tentatively identified the transactions below as requiring modification to support SFIS. **Staffing Note: Component financial and logistics experts must validate this list and provide corrections.**

Requisitioning Process:

1. 511R Requisition. Communicates the BPN of party to receive the bill and any applicable SFIS elements.

2.511M Requisition Modification. Repeats information from original requisition due to MILSTRIP requirement to support capability to use modification as original requisition if original requisition is not on file. Staffing Note: DLMSO proposes that all additional elements will be modifiable

3.869F Requisition Follow-Up. Repeats information from original requisition due to MILSTRIP requirement to support capability to use follow-up as original requisition if original requisition is not on file.



Perpetuation of SFIS data Proposed Change - Process Continued

Material Obligation Validations:

4.517M Material Obligation Validation (MOV) Use in requisition re-instatement only. Repeats information from original requisition due to MILSTRIP requirement to support capability to re-instate a requisition cancelled by the supply source during MOV.



Perpetuation of SFIS data Proposed Change - Process Continued

Matériel Returns Program - Lateral Redistribution under Total Asset Visibility Program (TAV) (retail reporting activity returns matériel to ICP so that ICP may re-sell this matériel to satisfy a customer's requirement):

5. 856S Shipment Status. Communicates the BPN of the party to receive credit (retail reporting activity) and any applicable SFIS elements (MILSTRIP AS6 only).

Matériel Returns Program - Automatic Returns:

6. 180M Matériel Returns Reporting. Communicates the BPN of the party to receive credit (returning activity) and any applicable SFIS elements with offer of assets (MILSTRIP FTA).



Perpetuation of SFIS data Proposed Change - Process Continued

Material Returns Program - Asset/Excess Return (retail reporting activity offers to sell back unneeded materiel to the ICP; depending upon the ICP's asset position, the ICP may provide credit):

7. 180M Material Returns Reporting. Communicates the BPN of the party to receive credit (returning activity) and any applicable SFIS elements with offer of assets (MILSTRIP FTE/FTG).

Turn-In to DRMO of Hazardous Waste:

8. 940R Material Release. Communicates the BPN of party to receive the bill for hazardous waste disposal service and any applicable SFIS elements (MILSTRIP A5J).



Perpetuation of SFIS data Proposed Change - Process Continued

Supply Discrepancy Reporting:

9. 842A/W SDR. Communicates the BPN of the party to receive the bill or credit and any applicable SFIS elements. This is applicable only to DLMS enhancement capability to facilitate proper construct of debit/credit billing where original requisition document number is not known to the submitter. Submitter uses constructed document number when reporting discrepancy.



Next Steps

- **Identify additional exchange processes**
- **Determine preferred exchange process**
- **Agree on the required SFIS Data and exchange business rules**
- **Continue coordination to staff SFIS PDC with Supply and Finance PRC**
 - Tentative Schedule for Oct-Nov Timeframe